

**INVER GROVE HEIGHTS CITY COUNCIL WORK SESSION**  
**MONDAY, JUNE 3, 2024 - 6:00 P.M. - 8150 BARBARA AVENUE**

**1. CALL TO ORDER:**

The City Council of Inver Grove Heights met in regular session on Monday, June 3, 2024, in person. Mayor Dietrich called the meeting to order at 6:00 p.m. The Pledge of Allegiance was recited.

**2. ROLL CALL:**

Present In-Person: Mayor Dietrich; Council Members: T'Kach, Gliva, and Scales; City Administrator Wilson, City Attorney McCauley Nason, Deputy City Clerk Malott, Fire Chief Thill, Police Chief Chiodo and Communications Manager Looze.

**3. DISCUSSION ITEMS**

**A. Potential Partnership with Dakota County CDA for use of Affordable Housing Sales Tax Revenue**

Administrator Wilson presented this item. In 2023 the Minnesota Legislature imposed a quarter-cent sales tax in the metropolitan area. The proceeds are to be divided between the cities and counties. Inver Grove Heights will receive funds annually from Local Affordable Housing Aid (LAHA). The first distribution will be later in 2024 and needs to be used towards qualifying affordable housing purposes. The funds do not have to be spent in the same year they are received, allowing the City a few years to determine what to spend it on. An option for these funds is to partner with the Dakota County CDA who operates multiple programs that the funds could be applied towards. Inver Grove Heights receives Community Development Block Grants and has been depositing the funds with the CDA for many years.

The Executive Director of the Dakota County CDA Tony Schertler said the sales tax is being distributed to the cities and counties which is separate from the CDA. The CDA has the staff capacity and expertise in affordable housing to administer the funds if the city chooses. The sales tax dollars from Inver Grove Heights would be spent within the community. Schertler introduced Lisa Alfson, the Director of Community and Economic Development for the Dakota County CDA.

Alfson provided an overview of the Local Affordable Housing Aid. LAHA is a direct allocation of dedicated sales tax to cities and counties for the purposes of developing and preserving affordable housing and helping people experiencing homelessness find housing. Inver Grove Heights is estimated to receive \$381,741 in 2024. The Annual reporting requirements begin December 2025 and distribution of LAHA is estimated to occur annually on July 20 and December 26.

**LAHA Qualifying Projects:**

- Construction, acquisition, rehabilitation, demolition, or removal of existing structures for homeownership (115% AMI or less) or rental (80% AMI or less)
- Financing (gap financing, permanent financing, etc.) for homeownership (115% AMI or less) or rental (80% AMI or less)
- Emergency Rental Assistance
- Financial support to nonprofit affordable housing providers in their mission to provide safe, dignified, affordable and supportive housing

The LAHA funding has higher limits for income than typical funding for affordable housing. The income level for homeownership is 115% of the Area Media Income (AMI) approximately \$143,650 for a household of four. The income level for rental goes up to 80% AMI, approximately \$94,650 for a family of four.

In the fall of 2023, the CDA started actively engaging with city staff to determine the needs of cities for affordable housing. They met with their board to determine what they could provide to cities. The funds will come in every year with three years to use them. The CDA has considered different options that would have a tangible impact on the cities.

#### Collaboration Option #1 - Home Improvement Loan Program:

Purpose: To provide low- and moderate-income households the means to maintain the safety and integrity of existing in homes, to remove architectural barriers in homes to allow independent living for people with disabilities, and to reduce lead-based paint hazards.

- Program started early 1980s
- Current program: 0% interest, deferred loan to qualified low- and moderate-income homeowners
  - Max loan = \$35,000
  - Min loan = \$15,000
- Loan payable when property homeowner no longer occupies, sold, refinanced
  - CDA puts 30-year mortgage against property to retain legal rights
- Repayment is required

When the loans are repaid the money is put back into the program and loaned to another eligible property homeowner. The underwriting and income verification is done within the CDA.

#### Eligible Home Improvement Loan Projects:

- Priority Health & Safety:
  - Lead-based paint removal
  - Radon mitigation
  - Furnace & other HVAC repairs
  - Windows
  - Roofs
  - Plumbing
  - Electrical
  - Accessibility items (bathrooms, ramps, etc.)
  - Foundation repair
  - Weatherization (in conjunction with other work)
- Other items:
  - Siding
  - Non-critical sidewalk
  - Bathrooms
  - Flooring
  - Decks
  - Garages
  - Kitchens

#### Dakota County Homeowner Profile (2018-2022):

- Average Household Size: 2.66
- Average Age of Homeowner: 57 years
- Average Age of Home: Built in 1953
- Average Income: \$45,350
- Average # Loans: 61
- Average Loan Amount: \$28,441

#### Statistics & Resources:

- IGH Home Improvement Loan Numbers (2018-2022)
  - Served 32 households (appx. 6 households/annually)

- Spent \$881,217
  - City CDBG allocation = \$796,275; County CDBG = \$28,870; CDA levy = \$56,072)
- LAHA funds
  - Could serve up to 12 households/annually (avg. loan \$32,000)
- Waitlist is currently closed. Three IGH households on the waitlist
  - Hope to open waitlist in September

The Home Improvement Loan Program is not marketed and has always had a waitlist. The CDA could loan up to \$1.2 million in year two for the Home Improvement Loan Program. It would require one additional full-time Rehab Advisor.

Collaboration Option #2 – Radon Mitigation Grant:

- Pair with Enhanced Home Improvement Loan Program
- HUD now requires radon testing for all federally funded programs
  - Radon mitigation required if test is over 4 pCi/L
  - Dakota County has higher than average radon, many homes over the limit
- \$3,000 - \$5,000 for testing and mitigation system
- Reserve up to \$200,000 per year of LAHA (Assist appx. 40 homes/year)
- No additional staff needed

Collaboration Option #3 – Preservation & New Construction Gap Financing:

- Expand existing CDA-administered gap financing resources for residential multi-family and single-family preservation and new construction
- Details to be determined, but structure would mimic primary gap funding source, i.e., HOPE, HOME, etc.
- No additional staff needed
  - Proposing a nominal fee be charged to cities if/when LAHA dollars are used for gap financing

CDA proposes allowing them to be the administrators for their LAHA funds. They would complete the annual state reports that will be required starting in December 2024 and provide quarterly reports to city partners.

Next Steps:

- Obtain formal approval from interested cities (in form of Council Resolution)
- Execute Joint Powers Agreement (currently being drafted by CDA attorney)
- Agree on start date
- Implement Programs

Council Member Scales asked if Inver Grove Heights funds would go to Inver Grove Heights residents.

Alfson said that each city's LAHA funds would be in their own account and would be distributed to their residents based on Council's direction.

Mayor Dietrich asked Administrator Wilson if the LAHA funds could be used to help lower the fees in the NWA.

Administrator Wilson said it could be used in projects in the NWA but there would need to be commitments from the developers that they would have income restrictions and there would be deed restrictions.

Council Member T'Kach asked if the funds could be used for projects where some of the homes were affordable and others were market rate.

Alfson said the legislation is not very restrictive and it does not say how many units need to be affordable compared to market rate. It would be possible to work with a developer and use the funds to reduce their fees if they were willing to have some affordable units.

Council Member T'Kach said they may want to consider having this fund to go towards developments where we would like to see affordable housing.

Alfson said the current funding sources for affordable housing make it difficult to use towards developments that are not 100% affordable housing.

Council Member T'Kach asked if it could be applied towards a mixed use development that included commercial.

Alfson said the CDA's understanding is that as long as a portion of the development is affordable, the LAHA funds could be used.

Council Member T'Kach asked if the CDA considered increasing the \$35,000 maximum for the home loan program.

Alfson said it can be increased but that would mean less loans that could be provided. It would also mean the homeowners would have to pay back more money out of the equity when they sold their home. There is nothing preventing homeowners from using their own funds in combination with the home loan from the CDA.

Council Member Gliva asked for more information on home ownership and if the CDA could use LAHA funds towards the purchase of a lot and designated for a first time home buyer.

Alfson said there is no current CDA program that this would be under but in the past the CDA has worked with Habitat for Humanity and sold lots to them at low rates. The LAHA funds could be used for this purpose. The CDA is currently selling some single family homes in Dakota County that will be income restricted to 115% of AMI.

Council Member Gliva said she is interested in seeing how the selling of the single family homes works out because home ownership is important to build equity in a person's life.

Mayor Dietrich asked what the legislature requested for checks on return on investment for LAHA funds.

Alfson said the legislation is vague. There will be required reporting every year, but they do not know what information will be requested in the reports. The CDA has a lot of checks and balances because they are accountable to the taxpayers and the federal government.

Council Member T'Kach asked if Alfson had a breakdown of what the CDA would consider the best allocation for the LAHA funds.

Alfson said the CDA does a lot of home improvement loans and radon mitigation. Emergency rental assistance was very important during Covid and is still important. A portion of the quarter-cent sales tax will go to the cities and counties, but another portion is going to the Metropolitan Council to focus on rental assistance. These funds will go through the counties to the CDA to do more Section 8 Housing vouchers. Cities are allowed to do rental assistance but there will already be a sizable portion of this tax going towards rental assistance.

Schertler said they expect cities to do more single family rehabilitation and home ownership programs. City code enforcement officers should be encouraged to talk about these programs when they encounter properties that are outside of code. The counties will look more at emergency services.

**B. Dakota County CDA Request to Build 2<sup>nd</sup> Senior Housing Building at Hillcrest Pointe**

Executive Director of the Dakota County CDA Tony Schertler said the Dakota County CDA Board encouraged them to build more senior housing with their existential function bonds. He introduced Deputy Executive Director of the CDA Kari Gill to provide information on the potential development.

Kari Gill said there is currently an affordable senior living building Hillcrest Pointe near the Walmart. When the CDA purchased the vacant property, it was bank-owned and zoned for office buildings. They did go through rezoning in order to build the housing development. During the initial development phases there was a specific requirement that they could not subdivide the property or build any additional buildings without Council approval. The CDA is asking for direction from Council whether there is any interest in developing an additional building on the property. They have not contacted an architect or developed any plans as of now. If there is any interest in an additional building it would likely be around the same size of the current building.

Mayor Dietrich asked if they were planning an assisted living center or senior living.

Gill said it would be affordable independent senior rentals.

Mayor Dietrich asked if there would be any pet restrictions.

Gill said they do not permit pets, but they do allow service animals and emotional support animals.

Council Member Scales said he was on the Planning Committee when the first building was built and there was a lot of concern about a lack of open space. He said they've been a good neighbor to the community and it may be a good idea to contact the neighbors to get their feedback on the development of an additional building.

Gill asked if Council would like them to have a neighborhood meeting.

Council Member Scales said he would not be able to provide any advice on what they should do but it may be a good idea to get the feedback from the area.

Schertler said they are not asking for a commitment from the Council at this time. They want to be able to tell their board if there is a general interest in the project to determine if it is worth pursuing.

Administrator Wilson asked if there is a waiting list and if there is priority given to residents of the city when there is an opening.

Gill said when they open an additional building adjacent to an existing building they may work with their existing waiting list. There are thousands of people on their waiting lists. They have 29 senior buildings in Dakota County with three in Inver Grove Heights. They do a county preference in all of their buildings but not a city preference.

Schertler said the funds are not needed but this is an eligible development for LAHA funds.

Council Member T’Kach said she is supportive of this type of housing and agrees that engaging with the neighbors prior to moving forward would be a good idea.

Mayor Dietrich said she is supportive of an affordable senior living project because there is a need.

Gill said they will do preliminary planning, look into a neighborhood meeting, and advise Council when they have further information.

**C. Communications, Media Inquiries & Information Sharing Related to a Critical Incident**

Administrator Wilson presented this item. Police Chief Chiodo, Fire Chief Thill, Communications Manager Looze and Administrator Wilson worked together to develop this information for Council. In February, the City of Burnsville experienced the loss of three first responders in a critical incident. These situations could happen in any city.

There are a wide variety of critical incidents that could occur:

- Severe storms (including snow and ice, wind and rain, tornado, etc.)
- Flooding (forecasted seasonal flooding or unexpected flash flooding)
- Large fire or hazardous incident
- Train derailment or airplane crash
- Officer involved shooting
- Civil unrest or significant protest
- Serious injury or loss of life of a city staff member at work
- Mass-casualty event

A “Critical Incident” generally includes:

- A significant threat to public safety – such as a mass shooting in a public place, chemical spill, or hazardous incident, etc., or
- A disruption in public services – such as a bridge collapse, major road closure that is unexpected and likely to be ongoing for more than a few hours; disruption to the municipal water supply, etc., or
- A line of duty death of a city employee, or
- Some combination or variation of the above

A Critical Incident creates the need for information sharing with:

- The City Council
  - As our governing body
- The public
  - Due to significant public or media interest
  - To communicate information necessary for public safety (*please avoid this area of town, please boil water, please keep your windows shut etc., as well as where to get more information*)
- The media
  - Can help the City reach more residents with the facts
  - Will create a narrative of events if we do not provide one
- City staff
  - So, they know what is expected of them and can do their jobs
  - So, they feel connected and supported (*particularly is the case of a line of duty death of a coworker*)
- Victims and their families

Who will notify the Council and when?

- We will make every effort to notify you quickly and to have that notification come from the City Administrator but...
- Incident may be witnessed, filmed and/or live streamed by participants and/or spectators before there is any opportunity to notify the Council
- Why not directly from the Police Chief, Fire Chief or other Department Head?
  - Because they are focused on operational needs
  - A critical incident requires a team effort

Some universal truths:

- There will never be enough information and it will never be shared fast enough.
- The media and residents will pressure you to share more than you should or to speculate about what you do not yet or may never know.
- As leaders, you will feel like you should be doing something and we will most likely be asking you to both do and say nothing, initially.
- Leadership by example can take the form of patience and endurance.

Reasons to have one messenger:

- It is important to quickly establish "the City" (often the Police and/or Fire Chief and City Administrator) as the most reliable source of information about the incident.
- Crises are a time for unity, and this includes unity in communication.
- One source of accurate information:
  - Cuts down chaos and stress
  - Allows the City to coordinate responses and to respond more rapidly to inquiries.
  - Allows for consistent messaging
  - Allows the City to control the narrative, to the extent possible
  - Combat scams and fraudulent fundraising

During or immediately following a critical incident:

- Important that elected officials do not speak to or share information with anyone about the incident.
- This includes:
  - The media
  - Residents, constituents, or members of the public
  - Neighbors, friends, family members
  - Other elected officials - neighboring cities, county commissioners, state representatives, school board members, etc.
    - Mayor or Council members may be requested to contact other elected officials
- This also includes posting, commenting, or sharing information on social media - including correcting false statements made by others.
- The Council will get incident updates from the City Administrator on a confidential basis.
- Assume anything you learn from calls, texts, emails or conversations with the City Administrator or other senior staff are confidential
- Assume anything you say, post, comment or tweet is or will become public - it may even go viral
- In a major incident it may be difficult to remember where you learned what - so the best response is always to say nothing and direct questions back to official City sources

What are the official City sources?

- Anything that is intended for the public will be shared:
  - At official press briefings or press conferences held by the City
  - On a centralized page of the City website - to which all other avenues of communication will direct people

- Follow-up reports by staff at public Council meetings

Press Briefings & Press Conferences:

- Press Briefing – generally held near the site of an incident, most likely by Police Chief or Fire Chief or the incident commander. Council should not attend.
- Press Conference – announced in advance
  - Preferred location would be VMCC Community Room
  - Welcome from the Mayor – other members of Council in attendance but not speaking
  - Scheduled based on the evolution of the incident and availability or need to share new information – not scheduled around individual schedules

Why elected officials should not share information about a critical incident with anyone:

- Liability / Privacy / Data Practice Laws
- Could negatively impact an investigation into a potential crime
- To protect victims and grieving family members
- These are often rapidly evolving and changing situations – what is true one minute may not be true in five minutes
- Can result in “spectators” or concerned citizens arriving at a scene, which can be dangerous and delay staff’s work in responding to the incident
- Need to let staff do their jobs
- Comments can be taken out of context or turned into soundbites which take on a life of their own

Messages from Council during a critical incident period:

- Express human concern and support for those impacted
- Direct people to the designated City webpage
- Express trust and confidence in City staff to manage the situation and be as transparent as possible
- Keep it brief and general
- There will be a time and place to review and critique staff’s response later

The police department has their own critical incident communications plan. These plans are not as publicized, but they are communicated to the people involved.

Council Member Scales said he appreciated the detail and the chiefs and staff that oversee these incidents.

Council Member T’Kach asked if there was an emergency app that residents can sign up for to receive alerts.

Chief Chiodo said the information is on the City website and residents can sign up through 911 with their address to receive alerts. Directions to sign up can be found on the police department’s website or through Dakota County’s 911.

Council Member T’Kach asked if the public was aware of the option to sign up for alerts or if it should be communicated through the next Insights Newsletter.

Chief Chiodo said a lot of residents have signed up, but it is always an option to publish it again.

Mayor Dietrich thanked Administrator Wilson, Chief Thill, Chief Chiodo and Communications Manager Looze for putting together the information for Council.

Administrator Wilson said the Police Chief serves as the Emergency Management Director. They get emergency management assistance and policy updates through Dakota County. The fire department and police department are parts of hazardous response teams in multiple jurisdictions. City staff does a lot of work behind the scenes when critical incidents occur.

**4. ADJOURN:**

**Motion to adjourn at 7:15 p.m. by Scales, second by Gliva.**

**Ayes: 4**

**Nays: 0      Motion carried.**

Minutes prepared by Recording Secretary Sara Lyons.